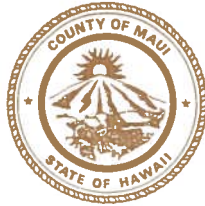


ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

May 4, 2017

Honorable Mike White, Chair
and Members of the Council
Maui County Council
County of Maui
200 South High Street
Wailuku, HI 96793

RECEIVED
2017 MAY -4 PM 2:56
OFFICE OF THE
COUNTY CLERK

Dear Council Chair White and Council Members:

SUBJECT: APPROVAL OF COST ITEMS FOR EMPLOYEES INCLUDED IN
BARGAINING UNITS 03 AND 04

In accordance with HRS Section 89-11 (g), I am herewith transmitting the cost items for the two-year contract covering HGEA Bargaining Units 03 and 04. The law requires that all cost items shall be subject to appropriations by the appropriate legislative bodies.

These computations reflect the implementation cost for employees included in Bargaining Units 03 and 04 for fiscal years 2017-2018 and 2018-2019. A summary of the pay adjustments is also transmitted for your information.

Also transmitted is the necessary resolution prepared by the Corporation Counsel for approval of the cost items.

We would appreciate your expediting approval of the cost items in order to implement the pay adjustments and respectfully request the Council to waive referral of this matter to committee. If you have any questions or require additional information on this matter, please call on Mr. David J. Underwood, Director of Personnel Services.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alan Arakawa".

ALAN M. ARAKAWA
Mayor, County of Maui

DJU:srm
Attachments
cc: Director of Finance
Director of Personnel Services

COUNTY COMMUNICATION NO. 17-207

Resolution

No. _____

APPROVING COST ITEMS FOR UNIT 3, NON-SUPERVISORY WHITE COLLAR EMPLOYEES, AND UNIT 4, SUPERVISORY WHITE COLLAR EMPLOYEES

WHEREAS, the Mayor, by correspondence dated May 4, 2017, to the Honorable Mike White, Chair, and Members of the Maui County Council, has submitted cost items for Non-Supervisory White Collar Employees included within Bargaining Unit 3, and Supervisory White Collar Employees included within Bargaining Unit 4, pursuant to the April 27, 2017, interest arbitration award; and

WHEREAS, pursuant to Chapter 89, Hawaii Revised Statutes, Council approval is required prior to payment of said cost items; and

WHEREAS, a Summary of Cost Items is attached hereto, and incorporated herein by reference as Exhibit "1"; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby approve of the cost items as specified in the above-referenced correspondence; and

Resolution No. _____

2. That certified copies of this resolution be transmitted to the Mayor,
the Director of Personnel Services and the Director of Finance.

APPROVED AS TO FORM
AND LEGALITY:



GARY Y. MURAI
Deputy Corporation Counsel
County of Maui
LIT-5678
2017-05-01 Resolution HGEA Unit 3, Unit 4

COUNTY OF MAUI
UNIT 03 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

Wage costs include fringe benefit costs representing expenses which automatically increase when base salaries increase (e.g., premium pay, overtime, Medicare, unemployment compensation, and leave benefits). All subsequent year costs include the roll-over cost from previous years.

Additional Cost
<u>FY 2018</u>
\$ 874,212

Additional Cost
<u>FY 2019</u>
\$ 1,988,830

2. Hawaii Employer-Union Health Benefits Trust Fund

The following costs assume the employer will continue to pay the same percentage of health benefit premiums as it currently pays. This is approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance. Increase in costs in subsequent years is due to anticipated increases in premium amounts.

Additional Cost	Additional Cost
<u>FY 2018</u>	<u>FY 2019</u>
\$ 147,181	\$ 462,195

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 1,021,393</u>	FY 2019	<u>\$ 2,451,025</u>
----------------	----------------------------	----------------	----------------------------

COUNTY OF MAUI
UNIT 04 (INCLUDED)
SUMMARY OF COST ITEMS
FY 2017-18, FY 2018-19

1. Salaries

Summary includes the following increases:

A. Effective July 1, 2017:

- 1) 2.0% across-the-board salary increase, including employees not administratively assigned to the salary schedule
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

B. Effective January 1, 2018:

- 1) 1.5% across-the-board salary increase, including employees not administratively assigned to the salary schedule.

C. Effective July 1, 2018:

- 1) 2.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) A one-time one hundred fifty (\$150) dollars lump sum payment for all employees. Employees who are less than full-time shall receive a prorated amount.

D. Effective January 1, 2019:

- 1) 1.25% across-the-board salary increase, including employees not administratively assigned to the salary schedule.
- 2) Drop Step A and employees on Step A shall move to Step B.

Wage costs include fringe benefit costs representing expenses which automatically increase when base salaries increase (e.g., premium pay, overtime, Medicare, unemployment compensation, and leave benefits). All subsequent year costs include the roll-over cost from previous years.

Additional Cost FY 2018
\$ 76,992

Additional Cost FY 2019
\$ 177,931

2. Hawaii Employer-Union Health Benefits Trust Fund

The following costs assume the employer will continue to pay the same percentage of health benefit premiums as it currently pays. This is approximately 60% of the premium amount, plus administrative fees, with the employee paying the balance. Increase in costs in subsequent years is due to anticipated increases in premium amounts.

Additional Cost	Additional Cost
<u>FY 2018</u>	<u>FY 2019</u>
\$ 4,369	\$ 15,574

TOTAL ADDITIONAL COST:

FY 2018	<u>\$ 81,361</u>	FY 2019	<u>\$ 193,505</u>
----------------	-------------------------	----------------	--------------------------